

Section 3-70 of the Use Tax Act provides that the Use Tax does not apply to the use, in this State, of tangible personal property acquired outside this State by a nonresident individual who then brings the property into this State for use here and who has used the property outside the State for at least 3 months before bringing the property to this State. See 35 ILCS 105/3-70. (This is a GIL.)

October 8, 2003

Dear Xxxxx:

This letter is in response to your letter of August 21, 2003. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.iltax.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Re our conversation I am sending a Form RUT-25X requesting refund of a motor vehicle use tax incorrectly assessed for my 1994 Monaco Motorhome. I am also enclosing supporting documentation that shows that we purchased the vehicle while we were residents of STATE and used it for more than 90 days before bringing it into Illinois.

The RV binder shows that we were residents of STATE when we flew to Texas to purchase the motorhome on April 22, 2003. We had been STATE residents for several years and had STATE driver's licenses, auto registration and voted in STATE.

The dealers reassignment of title shows that we purchased the motorhome with 128,912 miles on it on April 23, 2003. This sale date is confirmed by the bill of sale.

We used the motorhome extensively after purchase. The motorhome had 137,000 miles on it when it first entered Illinois on August 1, 2003. This mileage is confirmed by the title application of August 6, 2003.

When we went to the CITY, Illinois, Motor Vehicle office to register the motorhome and to take the required driving test in the motorhome to obtain Class B driver's licenses on

Tuesday, August 5th, we were incorrectly required to pay a Sales/Use Tax of \$3063.00 based on the purchase price of \$49,000.

I protested this tax assessment at the time of vehicle registration and later via phone conversations with [NAMES] at the Illinois Taxpayer Information Division phone line, all of whom claimed that I owed the tax because I had not titled the vehicle in another state.

Please guide my RUT-25-X to those aware of the tax so that it does not get rejected.

I am writing to notify you that I have received your RUT-25-X and have forwarded it to the appropriate personnel in the Department for processing and review. I am also writing to provide you with additional information regarding exemptions under the Use Tax Act.

Section 3-70 of the Use Tax Act, 35 ILCS 105/3-70, provides that the Use Tax does not apply to the use, in this State, of tangible personal property that is acquired outside this State by a nonresident individual who then brings the property to this State for use here and who has used the property outside this State for at least 3 months before bringing the property to this State.”

When we spoke on the telephone, you did not advise that a trust entity purchased the motorhome outside Illinois or that you registered the motorhome in Illinois in the trust’s name. Please be advised that a trust does not constitute a “non-resident individual,” and for this reason, is ineligible to claim the exemption provided in Section 3-70 recited above.

I hope this information is helpful. If you have further questions concerning this letter ruling, you may contact me at 217.782.2844. If you have further questions related to the Illinois sales tax laws, please visit our website at www.iltax.com or contact the Department’s Taxpayer Information Division at 217/782/3336.

Very truly yours,

Jerilynn Troxell Gorden
Sr. Counsel, Sales & Excise Tax